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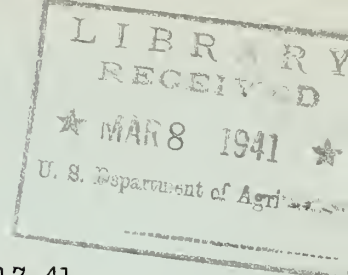
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UNITED STATES DEPARTMENT OF AGRICULTURE  
Office of Information

AND-17-41

March 7, 1941

Part I - STRICTLY CONFIDENTIAL

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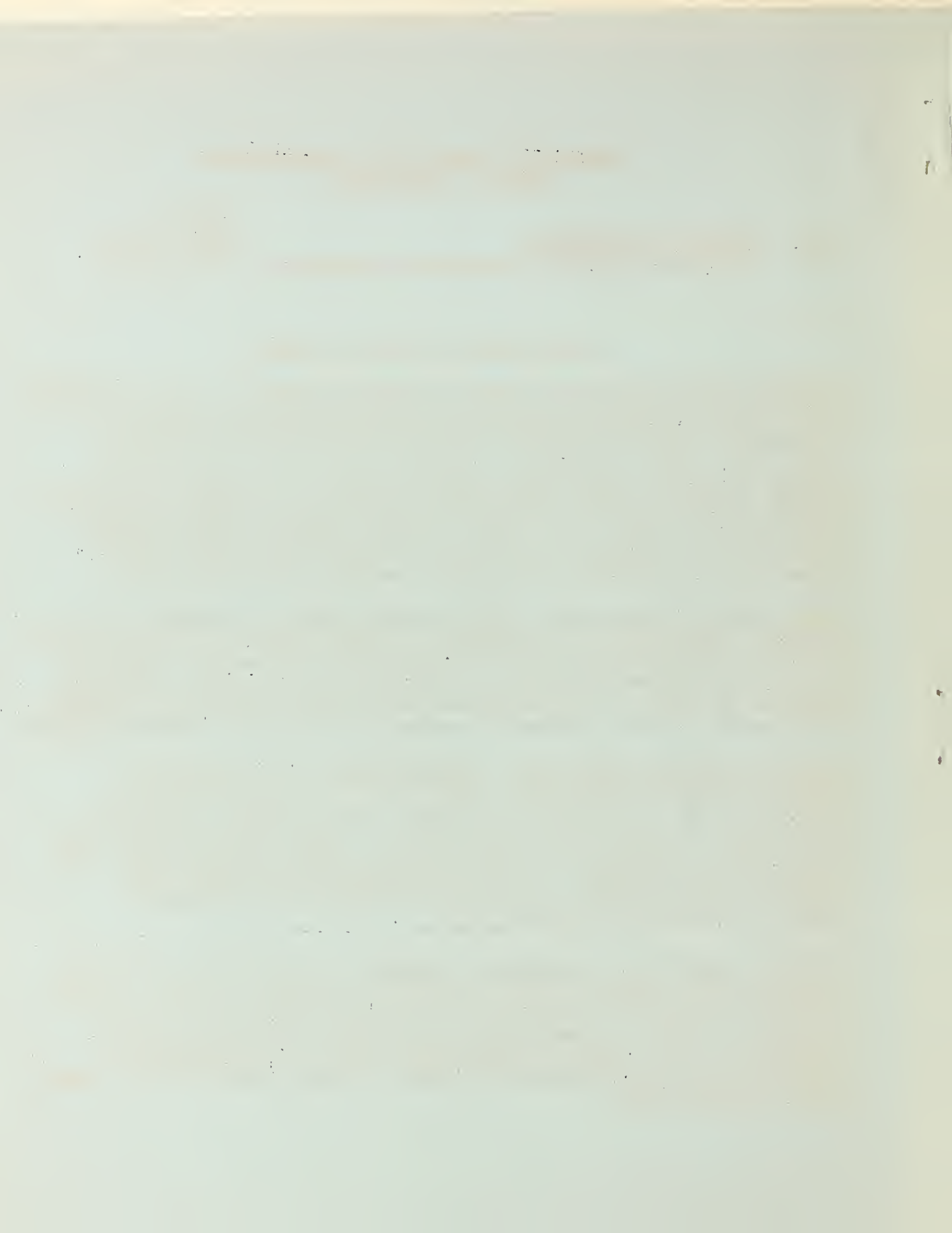
AGRICULTURE AND NATIONAL DEFENSE

USDA FIELD REPAIR SHOPS MAY BE USED FOR DEFENSE TRAINING: A joint committee of the USDA and Office of Education are studying a plan in which the Department's 200 or more repair shops may be used in training 8,000 to 12,000 rural youths as mechanics. Under the plan, for which official approval is expected soon, practicing mechanics will instruct the youths in night classes in courses which will run from eight to twelve weeks. The courses will be a part of the general defense training program provided for in the Deficiency Bill last fall. The Department's role in this instance will be furnishing the physical equipment and "class rooms."

FOREST SERVICE EXPERT GOES TO MEXICO TO CHECK LUMBER: To explore the practical possibilities of an exchange of Mexican lumber for American wheat, now under consideration by the U.S. and Mexican governments, Duncan Lang, of the Forest Service Laboratories at Albuquerque, N.M., left Washington last week for Mexico. He will find out what lumber supplies are available in Mexico and how they square with requirements of the U.S. defense program.

SUMMARY OF FOREIGN DEVELOPMENTS: UNITED KINGDOM: The Ministries of Agriculture and Food announced jointly that in view of the feedstuff shortage, it will be necessary to reduce existing feedstuff rations for farm animals by one-half, effective April 1. Supplementary rations are to be issued to mitigate the effect upon dairy herds, working horses, and approved pedigree animals. An upward adjustment in the fixed price schedule for hogs will be announced in the near future in order to encourage marketing of lighter weights.

FEEDSTUFF SUPPLIES TO BE RELEASED TO FARMERS in April will be sufficient to provide full rations for only one-sixth of the laying flocks of poultry on hand in June 1939. No assurance is given that even that rate can be maintained. Poultry producers are being advised to cull their flocks drastically and to market all unproductive birds. To encourage such liquidation, price adjustments for poultry are being considered and a statement is expected soon.



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Part II - FOR ADMINISTRATIVE USE

AGRICULTURE AND NATIONAL DEFENSE

THREE DEPARTMENT AGENCIES ON "TROUBLE SHOOTERS" DEFENSE COMMITTEES: Three USDA agencies--Extension Service, Farm Security Administration, and Surplus Marketing Administration.--are represented on regional committees set up by Federal Coordinator McNutt to meet problems of health and medicine, nutrition, education, family security (including housing), and recreation. Attention will be centered first in special problem areas where the speedup of defense activities has made these problems pressing.

COMMITTEES HAVE BEEN SET UP IN 12 REGIONS (covering same areas as Social Security regions) with a regional coordinator who is directly responsible to Administrator McNutt. Other federal agencies include McNutt's Federal Security Agency, Department of Labor, Department of Interior, Veterans Administration, National Defense Advisory Council, Resources Planning Board, and the American Public Welfare Association. Ten of the 12 committees have met in the last two weeks. Other two committees will meet within 10 days.

ALL THREE DEPARTMENT AGENCIES HAVE A REPRESENTATIVE on each of the regional committees. The committee members are studying possible lines of joint defense studies when certain needs are not now met by any agency. They are to pass along to any State agencies any information dealing with their phase of work (such as the federal extension committee member to State extension officials or the NDAC member to the State Defense Advisory Council).

ARGENTINE HAS FAVORABLE CORN GROWING WEATHER: The U.S. Weather Bureau in its weekly weather and crop bulletin reports that the Argentine summer has been persistently cool and favorable for corn growing, with only two weeks--those ending Dec. 9, and Dec. 23--having above normal temperatures. In the corn and northern wheat area temperatures averaged 2.2 degrees below normal with 190 percent of normal rainfall, and for the southern wheat area 1.6 degrees below normal and 148 percent of normal rainfall. Bulk of the Argentine corn crop is reported safe through the growing season.

SUMMARY OF FOREIGN DEVELOPMENTS: GERMANY: The property of all Consumer Cooperative Societies was transferred to the "German Labor Front." The latter proposes to reorganize the existing cooperative stores into thousands of individual "model retail stores." These will be handed over to individual retailers, with preference being given in the distribution to veterans of the war. The National Socialist Party always has been opposed in principle to the participation in retail trade of "big business," whether in the form of department and chain stores, or in the form of cooperatives. Up until this time, however, the Party has hesitated to take decisive steps against consumer cooperatives probably in view of their popularity with the people.





A NEW COMMERCIAL AGREEMENT WAS CONCLUDED WITH ITALY providing for an increase in the exchange of goods between the two countries during 1941. Italian deliveries are to include not only fruits, fresh vegetables and rice (announced by the German press as being of vital importance for the nourishment of the German people), but also such raw materials as silk, mercury, sulphur and pyrites. German deliveries will be principally coal, iron and steel. The agreement also provides that in order not to hamper the delivery of merchandise vital to the conduct of the war, there is to be no limitation on exports from either country, irrespective of the balance of trade or clearing debt.

UNITED KINGDOM: The Cotton Controller announced that licenses to use cotton have been issued to spinners, effective for 4 weeks beginning March 3. No figures were released but the Controller stated that the basic consideration was the character of the work on which mills are engaged and that while a substantial reduction in output was involved in many cases, supplies for urgent orders would be kept up, or even increased. He also stated that raw cotton imports this season would be less than half those last season.

Press reports indicate that March licenses show general reductions, that allocations for some firms are only sufficient for a week or fortnight operation each month, and that future allocations are likely to be even smaller for some plants. The industry anticipates that numerous mills will now find it necessary to close, that civilian trade must necessarily fall to very small proportions, and that even exports will be curtailed, though mostly to the Dominions.

IN ORDER TO REDUCE PRODUCTION FOR CIVILIAN NEEDS and thus release labor, materials and factories for war purposes, the Government decided that industries producing consumer goods must concentrate production in a reduced number of factories working full time. These factories are to produce the output required for (a) greatest practicable export trade; (b) minimum home market needs; and (c) Government orders. The Government is depending on the different industries to work out plans for achieving the necessary concentration, but it has indicated that in the last resort it will use compulsion.

CHINA: Exporters in Tientsin are apprehensive over the possible effects of the recent inclusion of bristles among raw materials subject to Japanese military inspection and purchase at low fixed prices.

RUSSIA: Through its occupation of the Baltic States and part of Poland the Soviet Union has acquired a large number of cotton mills. One mill in Riga, formerly owned by German capital, had no less than 500,000 spindles in 1938. In view of the potential Soviet mill capacity and consumer requirements, it is believed that the Government will make every effort to provide mills with all the ginned cotton they can consume.





JAPAN: The outlook for American cotton continues highly unfavorable owing mainly to the high price of American cotton compared with the Brazilian and Indian. Other contributing factors are the Japanese Government's desire to scatter purchases as widely as possible for strategic and reciprocal trade purposes, the enforcement of the link system which militates against purchases of higher-priced cotton, and shortage of cargo space. The latter factor is also interfering with the movement of cotton to Japan from Brazil and India. Should any hitch develop in the movement of Brazilian and Indian cotton already purchased but unshipped, amounting to about 2 months' consumption, several large spinning companies may be seriously embarrassed during May and June. Japanese mill consumption of cotton during the past 5 or 6 months has exceeded imports by a wide margin.

